

PROJECT OVERSIGHT REPORT

HP3000 Replacement Project – Office of Insurance
Commissioner (OIC)

Report as of Date:
February 2005

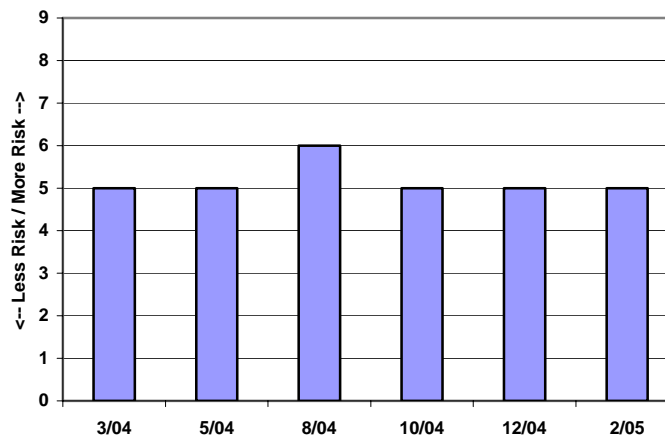
Executive Sponsor: Mike Watson
Project Director: Mike Shea

MOSTD Staff: David Koch
(360) 902-3468
davidk@dis.wa.gov

Severity/Risk Rating: Medium (medium severity, medium risk)

Oversight: DIS Director
recommended approval as
Level 3 – ISB

Overall Project Risk Assessment



Staff Recommendations: ISB staff has no recommendations at this time.

Variances:

- Schedule: The original schedule, established in 2003 by the feasibility study, calls for completion of requirements and vendor selection by July 2005 with project completion by December 2006. Working in conjunction with the requirements gathering vendor (CRE8 Inc.), the agency has evaluated the project risks associated with the original schedule and the assumptions outlined in the feasibility study that commercial-off-the-shelf solutions (COTS) are currently available to meet OIC's business needs.

To mitigate project risk, the agency has updated the project plan to allow additional time to collect and analyze business requirements and conduct market research prior to releasing the RFP. The agency intends to further test the assumptions outlined in the feasibility study and verify the availability of suitable COTS solutions and expected costs. The additional activities include an increased emphasis on market and vendor research, conducting a comprehensive Request for Information (RFI) and reviewing recent similar system implementations undertaken by other state insurance regulators.

The agency is still planning on completing the project within the next biennium utilizing a phased in approach. Phase 1 (Requirements Gathering Phase) is still targeted for completion by July 2005.

- Budget/Cost: None.
- Scope: None.
- Resources: None

Risks/Mitigation:

- Schedule
The schedule is aggressive and contains little time for contingencies.

Mitigation Tasks

- OIC has added project activities to further test the assumptions outlined in the feasibility study and to validate the availability of suitable COTS solutions and expected costs in advance of releasing the RFP.
- Based on information obtained during the requirements analysis, the agency will prioritize and identify which business objectives it will undertake in conjunction with the system migration effort within the schedule and budget constraints.

Background Information

The project will allow OIC to replace its Hewlett Packard (HP) 3000 system. HP will cease support for HP3000s as of December 31, 2006. The Director of the Department of Information Services has approved the acquisition of the replacement system and directed that OIC provide an informational briefing to the Board. Due to the large number of presentations for recent ISB meetings an updated project status report has been provided for each Board meeting rather than a presentation.

The majority of applications and data repositories currently supporting OIC's business objectives and OIC operations run on the HP3000 platform. Hewlett Packard, the manufacturer of the HP3000, recently announced that it would cease support for this platform as of December 31, 2006. Originally developed using the Speedware programming language and a Turbolmage database system, the current set of applications and databases serve as the primary information source and automated functionality for OIC business operations. While the agency could continue to use these systems beyond 2006, continuing to do so will create risk to the agency's business operations caused by dwindling support resources, shortage of qualified developers and inflexibility of these systems to meet evolving business needs.

In addition to supporting the required platform migration, a number of business and technical issues and opportunities can be addressed by assessing the current HP3000/Speedware system's ability to serve OIC in the future and meet the business objectives discussed below. OIC's approach to meet the above objectives is to institute a best-of-breed procurement strategy that will identify and implement package solutions that meet OIC's needs. The technology platform is expected to be Windows NT/2000 (or, depending upon the implementation date, the latest Microsoft server release) suite, which is consistent with OIC technical direction. Much of OIC's current requirements will be met by integrating available COTS products with supporting custom development as required. Package modifications (e.g., building workflow route maps) will have to be performed as well as a limited custom programming to provide functionality not available from package solutions.

Technology: See comments above on expected technology.

Budget/Costs: Implementation/development costs:

Software Licenses	\$475,000
Hardware	\$161,000
Contract Services	\$2,195,683
OIC Staff	<u>\$229,834</u>
Implementation Subtotal	\$3,061,517
5-Year Maintenance (\$318,164/year)	<u>\$1,590,820</u>
Total Life Cycle Cost	\$4,652,337